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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/534,896

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Adbulkader Thomas

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EXAMINER

BARTLEY, KENNETH

ART UNIT

PAPER NUMBER

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/534,896	Applicant(s) THOMAS, ADBULKADER	
	Examiner KENNETH L. BARTLEY	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 13 May 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1 and 2 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-2 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1 and 2 have been examined.

Priority

2. It is noted that this application appears to claim subject matter disclosed in prior Application No. PCT/US03/34339, filed October 28, 2003. A reference to the prior application must be inserted as the first sentence(s) of the specification of this application or in an application data sheet (37 CFR 1.76), if applicant intends to rely on the filing date of the prior application under 35 U.S.C. 119(e), 120, 121, or 365(c). See 37 CFR 1.78(a). For benefit claims under 35 U.S.C. 120, 121, or 365(c), the reference must include the relationship (i.e., continuation, divisional, or continuation-in-part) of all nonprovisional applications. If the application is a utility or plant application filed under 35 U.S.C. 111(a) on or after November 29, 2000, the specific reference to the prior application must be submitted during the pendency of the application and within the later of four months from the actual filing date of the application or sixteen months from the filing date of the prior application. If the application is a utility or plant application which entered the national stage from an international application filed on or after November 29, 2000, after compliance with 35 U.S.C. 371, the specific reference must be submitted during the pendency of the application and within the later of four months from the date on which the national stage commenced under 35 U.S.C. 371(b) or (f) or sixteen months from the filing date of the prior application. See 37 CFR 1.78(a)(2)(ii)

and (a)(5)(ii). This time period is not extendable and a failure to submit the reference required by 35 U.S.C. 119(e) and/or 120, where applicable, within this time period is considered a waiver of any benefit of such prior application(s) under 35 U.S.C. 119(e), 120, 121 and 365(c). A benefit claim filed after the required time period may be accepted if it is accompanied by a grantable petition to accept an unintentionally delayed benefit claim under 35 U.S.C. 119(e), 120, 121 and 365(c). The petition must be accompanied by (1) the reference required by 35 U.S.C. 120 or 119(e) and 37 CFR 1.78(a)(2) or (a)(5) to the prior application (unless previously submitted), (2) a surcharge under 37 CFR 1.17(t), and (3) a statement that the entire delay between the date the claim was due under 37 CFR 1.78(a)(2) or (a)(5) and the date the claim was filed was unintentional. The Director may require additional information where there is a question whether the delay was unintentional. The petition should be addressed to: Mail Stop Petition, Commissioner for Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450.

If the reference to the prior application was previously submitted within the time period set forth in 37 CFR 1.78(a), but not in the first sentence(s) of the specification or an application data sheet (ADS) as required by 37 CFR 1.78(a) (e.g., if the reference was submitted in an oath or declaration or the application transmittal letter), and the information concerning the benefit claim was recognized by the Office as shown by its inclusion on the first filing receipt, the petition under 37 CFR 1.78(a) and the surcharge under 37 CFR 1.17(t) are not required. Applicant is still required to submit the reference in compliance with 37 CFR 1.78(a) by filing an amendment to the first sentence(s) of the specification or an ADS. See MPEP § 201.11.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-2 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 indicates a method claim that recites steps of establishing a trust, special purpose entity, funding, and entering into an agreement. However the claim fails to provide an apparatus associated with such steps. Further, the apparatus must be incorporated within the steps and not just in the preamble. Specifically, the Supreme Court has held that a claim reciting an algorithm or abstract idea can state statutory subject matter only if, as employed in the process, it is embodied in, operates on, transforms, or otherwise involves another class of statutory subject matter, i.e., a machine, a manufacture, or composition of matter (See *In re Comiskey*, (Fed. Cir. 2007)). As the PTO notes, “[t]he Supreme Court has recognized only two instances in which such a method may qualify as a section 101 process: when the process either [1] was tied to a particular apparatus or [2] operated to change materials to a different state or thing. (See *In re Comiskey*, (Fed. Cir. 2007)).

Claim 1 is also rejected because it fails to produce a useful, concrete, and tangible result. Claim 1 establishes a trust with an agreement between parties, but there is no useful result produced from the agreement (e.g. a purchasing an asset by the trust vehicle based on the terms of the agreement). See MPEP 2106 IV C 2.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. Claims 1-2 are rejected under 35 U.S.C. 112, first paragraph, because the specification, while being enabling for a beneficiary to remove and appoint a trustees, does not reasonably provide enablement for a trust vehicle to have assignable beneficiary rights with the power to remove and appoint trustees (see section (6) immediately below). The specification does not enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the invention commensurate in scope with these claims.

6. Specifically, Claim 1 recites "...establishing a trust vehicle by an originator/settlor as a beneficiary to said trust vehicle..." and "...wherein said trust vehicle includes an assignable beneficiary rights including: the power to remove and appoint trustees, the power to direct the trustee with respect to foreclosure of the property, and the power to collect a payment stream arising from said trust vehicle." ¶ [0012]

However, Applicant's specification teaches:

“The settlor would be the initial beneficiary of the trust, but the beneficial interest in the payment stream arising from the trust would be assignable to third parties. The power to remove and appoint trustees would be granted to the beneficiary and the beneficiary would have the power to direct the trustee with respect to foreclosure of the property. These rights would be assignable with the payment stream.” ¶ [0012]

Therefore, the specification does not teach that the trust can assign beneficiary rights, and can remove trustees, which is outside the scope of the invention, but rather the settlor or initial beneficiary of the trust has this authority. Claim 2 is rejected because it depends from claim 1.

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. Claim 1 is rejected under 35 U.S.C. 102(b) as being anticipated by Khalili (Sara Khalili, “Unlocking Islamic finance,” Apr. 1997, Infrastructure Finance, Vol. 6, Iss. 3, pg. 1-7).

Art Unit: 3693

Regarding claim 1:

An asset acquisition financing method, comprising:
establishing a trust vehicle by an originator/settlor as a beneficiary to said trust vehicle;

Khalili teaches establishing a trust structure by owners:

“The risks of asset ownership are also offset by making the Islamic financiers the beneficial owners of assets without their actually having title to them. The risk is easily eliminated by putting together a blind trust structure where a special purpose vehicle holds title to the assets and the financiers have the beneficial interest in the assets,” Fakih explains.” (“Islamic Instruments” heading; para. 3)

establishing a special purpose entity as trustee of said trust vehicle;

The special purpose entity is trustee:

“The risks of asset ownership are also offset by making the Islamic financiers the beneficial owners of assets without their actually having title to them. The risk is easily eliminated by putting together a blind trust structure where a special purpose vehicle holds title to the assets and the financiers have the beneficial interest in the assets,” Fakih explains.” (“Islamic Instruments” heading; para. 3)

funding said trust vehicle by said originator/settlor, said funds for use in purchasing an asset to be associated with said trust vehicle; and

Funds are used to purchase asset associated with a trust:

“The risks of asset ownership are also offset by making the Islamic financiers the beneficial owners of assets without their actually having title to them. The risk is easily eliminated by putting together a blind trust structure where a special purpose vehicle holds title to the assets and the financiers have the beneficial interest in the assets,” Fakih explains.” (“Islamic Instruments” heading; para. 3)

entering into a combination lease/contract-for-deed asset agreement between said trustee and a lessee/purchaser; wherein said trust vehicle includes an assignable beneficiary rights including: the power to remove and appoint trustees, the power to direct the trustee with respect to foreclosure of the property, and the power to collect a payment stream arising from said trust vehicle.

Khalili teaches lease and buyback agreements (contract-for-deed) between financiers and buyers. Also, risk of asset ownership to the financier can be offset by establishing a trust:

"All of these Islamic financing mechanisms get around the prohibition on interest payments by having the financiers take ownership of assets and lease or resell them to the project company. To mitigate the risks associated with asset ownership, Islamic banks often opt for finance leases, as opposed to operating leases. "You can have a full pay-out lease, which pays itself over the life of the lease," says Citibank's Rehman. "And you have a residual risk, which is covered by a buyback agreement from the project itself or a third party."

The risks of asset ownership are also offset by making the Islamic financiers the beneficial owners of assets without their actually having title to them. "The risk is easily eliminated by putting together a blind trust structure where a special purpose vehicle holds title to the assets and the financiers have the beneficial interest in the assets," Fakih explains. The special-purpose vehicle is financed through participation certificates. "We generally use this structure in our lease financing facilities," adds Fakih." ("Islamic Instruments" heading; para. 2-3) Inherent in creating a trust would be appointment of trustees, control (foreclosure) of assets held by the trust, and rights to receive payments due.

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.

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2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

11. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Khalili (Sara Khalili, "Unlocking Islamic finance," Apr. 1997, Infrastructure Finance, Vol. 6, Iss. 3, pg. 1-7) in view of Buggs (Shannon Buggs, "Investing With Your Values," May 31, 1999, Houston Chronicle, "pg. 1-5)

Regarding claim 2:

The method of claim 1, wherein said asset is real property.

Khalili teaches all of the claimed process steps for assets, except for specifying real property.

Buggs teaches:

"When it comes to home mortgages, Islamic finance companies buy property for their clients, who then rent it from the company on a lease-to-own contract." (pg. 2, para. 11)

Since Buggs teaches lease-to-own for real estate, and real estate is a type of asset, it would make sense for a financier to consider real estate as an asset for use with a trust.

Therefore, it would have been obvious to try, by one of ordinary skill in the art at the time of invention, to incorporate real estate into the teachings of Khalili since there are a finite number of asset types and one of ordinary skill in the art could have pursued the known potential asset types with a reasonable expectation of success.

Conclusion

12. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. 6167384

Graff

b. 6192347 Graff

Any inquiry concerning this communication or earlier communications from the examiner should be directed to KENNETH L. BARTLEY whose telephone number is (571)272-5230. The examiner can normally be reached on Monday through Friday, 8:00 - 5:00 EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jagdish Patel can be reached on (571) 272-6748. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/JAGDISH N PATEL/
Primary Examiner, Art Unit 3693